Amendment No. 1 to HB3285

Jones U
Signature of Sponsor

AMEND   Senate Bill No. 2733*   **House Bill No. 3285**

By inserting the following language between the caption of the bill and the enacting clause:

WHEREAS, in light of the very different public purposes served by the ad valorem taxes set out in title 67, chapter 5, part 9 and other state and local taxes, it is the intent of the general assembly that the provisions of this act not be read to affect or alter the treatment of software in any other part of this title; now, therefore,

AND FURTHER AMEND by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-5-903, is amended by adding the following language as a new subsection (h):

(h) Property classified as Group 2 (computers, copiers, peripherals and tools) pursuant to this section shall include all operations software. For the purposes of this subsection, "operations software" means permanently embedded software so integral to the operation of such computers, copiers, peripherals and tools that such computers, copiers, peripherals and tools could not perform any valuable or useful function without such software. All other software, whether prepackaged or custom, is deemed intangible property for purposes of this part and is not subject to tax under this part.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.